

**DEPUTY SECRETARY OF DEFENSE****1010 DEFENSE PENTAGON
WASHINGTON, DC 20301-1010**

20 MAY 1998

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Reform Initiative Directive #43 - Defense-wide Electronic Commerce

I direct the establishment of the Joint Electronic Commerce Program (JECP), effective immediately. The JECP shall be under the overall policy direction and oversight of the Department of Defense Chief Information Officer (DoD CIO) (currently the Senior Civilian Official in the Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (C3I)). The DoD CIO has the critical role of providing information technology oversight and policy direction to the functional OSD Principal Staff Assistants (PSAs) and Components, to include Electronic Commerce (EC) policy.

An office to support the JECP, the Joint Electronic Commerce Program Office (JECPO), shall be formed, effective immediately, and will be responsible for strategic implementation of EC policy in support of the PSAs and Components. The JECPO shall be formed from the assignment of the EC resources of the Defense Information Systems Agency (DISA), the Defense Logistics Agency (DLA), and other offices that handle related functions. The resources and non-policy functions of the Assistant Deputy Undersecretary of Defense for Logistics, Business Systems and Technology Development and the Director, Life-Cycle Information Office, will be transferred to DLA for assignment to the JECPO, effective immediately, consistent with section 8061 of the Department of Defense Appropriations Act for Fiscal Year 1998. The Directors of DISA and DLA shall provide support, including all necessary personnel, facility, financial, administrative, and logistical support, to the JECPO.

The JECPO is designated as the DoD Executive Agent to support, facilitate, and accelerate the application of electronic business practices and associated information

technologies to improve DoD processes and support weapons and combat support systems throughout their life cycles. The JECPO will allow DoD to centralize EC policy recommendations, planning, and coordination and will ensure consistent implementation based on open standards for interoperability in a common business environment while maintaining the decentralization of EC execution. The JECPO Director/Deputy Director will provide periodic reports (e.g., program plans, status, and issues) to me, through the DoD CIO.

Within 30 days from the date of this memorandum, the JECPO Director shall develop a charter for the JECPO, in coordination with the Under Secretary of Defense (Acquisition & Technology), Under Secretary of Defense (Comptroller), DoD CIO, Secretaries of the Military Departments, and the Directors of DISA and DLA. This charter will be provided to the Director, Administration and Management (DA&M) for appropriate staffing and coordination. The DA&M also shall ensure that DoD issuances are revised as necessary to reflect these changes in the DoD Directives System and shall ensure that appropriate personnel actions are accomplished.

To ensure complete coordination and participation within the Military Departments, and among the Departments and the JECPO on EC matters, within 30 days from the date of this memorandum, each Military Department shall identify primary and alternate points of contact (POCs) to the JECPO Director, Jefferson Building, 7676 Old Springhouse Road, McLean, VA 22102 (703-275-5238). These POCs shall be dedicated to execution and implementation of EC within their respective Departments and shall serve as a liaison between the JECPO and that Department on all EC matters. Each point of contact also shall be responsible for coordinating implementation plans, policies, actions, and program updates within that Department.

Within 30 days from the date of this memorandum, the PSAs and Defense Agency/DoD Field Activity Directors shall identify to the JECPO Director a single point of contact having responsibility for EC policy, performance, and execution within their organization. In addition, the Defense Finance and Accounting Service shall detail one person to the JECPO for an initial period of 120 days. Upon completion of this detail, an evaluation will be made to determine whether it should be extended.

EC is not any specific automated information system or application. It is an evolving business methodology for enterprise-wide conduct of secure business transactions via electronic means and, for this reason, will continue to be driven by the business needs of the Department. As the PSAs and Components work jointly to implement EC within their business practices, they will need to work through the JECPO to ensure their EC service needs are met. It is paramount we take advantage of the full potential of EC to achieve our revolution in business affairs. We must use the appropriate technology and re-engineered business processes to ensure maximum effectiveness in our business practices. The JECPO is the key to doing this. I need your complete assistance and dedication of purpose to achieve success.

A handwritten signature in black ink, appearing to read "John J. Hamre". The signature is written in a cursive style with a large, stylized "J" and "H".

John J. Hamre